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SENSITIVE
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STATE FOR NEA/ELA
STATE PASS TO USTR (FRANCESKI)
COMMERCE FOR ITA/OTEXA MARIA D'ANDREA

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SUBJECT: Proposed QIZ Satellite Garment Factories Adhering to
Guidelines Discussed for Their Establishment

REF: A) Franceski-Brown email dated 12/04/2008
B) AMMAN 3267

SENSITIVE BUT UNCLASSIFIED.

¶1. (U) As requested ref A, Emboffs have sought to verify that the ten proposed Qualifying Industrial Zone (QIZ) satellite factories are creating new job opportunities for rural Jordanians and not currently exporting garments under the QIZ agreement.

¶2. (U) Of the ten areas identified by the GOJ for satellite factories, six currently have investors: Shoubak, Shouneh Wistah, Madaba, Irbid, Al-Koura/Deir Abi Saeed, and Tafileh. Several of the satellite factories, however, are not yet operational. The Madaba area Sterling/Al Safi Textile CCKM Factory is in its final stages of establishment and is expected to be operational in January 2009. The EAM Maliban factory in Shouneh Wistah has not yet been constructed, but the land has been purchased. According to a representative of the Century Standard Textile Factory, plans for constructing in Al-Koura/Deir Abi Saeed have been cancelled because of decreasing garment demand. The GOJ has not yet commented on its plans for this area. Post has requested updated information on the Al Methaliah Textiles Factory in Irbid and the Rich Pine International Factory in Tafilah.

¶3. (SBU) One factory, the Camel Factory in Shoubak, is making plans to begin production once a final decision on satellite status is reached. EconOff visited the area on December 22 where she observed a one-room factory where approximately 50 Jordanian women were sewing long-sleeve t-shirts. Camel managers said that the factory is currently a training site with the produced garments being donated to domestic charities. The managers said the factory employs 2 male Jordanian managers; 3 male Jordanian security guards; 2 female Chinese trainers; and 60 female Jordanian garment workers. The garment workers, aged 25-35 years old, had all graduated from high school (a few had even graduated from college), but were previously unemployed. All of the workers live within 12 miles of the factory and are bused there via company transportation. They work from 7:30 am until 4:30 pm and have a one-hour lunch break. Workers are paid the QIZ minimum wage of \$155 monthly and receive a productivity-based bonus. The QIZ minimum wage, and thus the wages at the Shoubak factory, will increase to \$212 monthly in January. The factory was clean, well-ventilated and decorated with photographs of the factory's inauguration by King Abdullah II. The managers said that there are currently no plans to increase the number of workers because of the slowdown in retail orders (ref B).

¶4. (U) Post will report on conditions at other proposed satellite factories septel.

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